

The New Plan for the Administration of the Federal-Aid Secondary Program

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It is gratifying to see so many of you here to hear a discussion of the new plan for the administration of the Federal-Aid Secondary Program. It indicates your interest in the program and perhaps a growing conviction among you that a county can't afford NOT to claim and use its allotments of Federal aid. Assuming at least a leaning toward that viewpoint on your part, I propose in the time allotted first to explain the new plan to you and then to acquaint you with how counties in some of the other states are using their Federal-aid allotments.

The legal basis for the new plan is contained in three provisos of the Federal-Aid Highway Act of 1954. After authorizing \$210 million to be apportioned among the several states for projects on the Federal-aid secondary system for each of fiscal years 1956 and 1957, the provisos continue as follows:

"Provided further, that in the case of those sums heretofore, herein, or hereafter apportioned to any State for projects on the Federal-aid secondary highway system, the Secretary of Commerce may, upon request of any States, discharge his responsibility relative to the plans, specifications, estimates, surveys, contract awards, design, inspection, and construction of such secondary road projects by his receiving and approving a certified statement by the State highway department setting forth that the plans, design, and construction for such projects are in accord with the standards and procedures of such State applicable to projects in this category approved by him: Provided further, that such approval shall not be given unless such standards and procedures are in accordance

with the objectives set forth in section 1(b) of the Federal-Aid Highway Act of 1950: Provided further, that nothing contained in the foregoing provisos shall be construed to relieve any State of its obligation now provided by law relative to maintenance, nor to relieve the Secretary of Commerce of his obligation with respect to the selection of the secondary system or the location of projects thereon, to make final inspection after construction of each project, and to require an adequate showing of the estimated and actual cost of construction of each project:"

Section 1(b) of the Federal-Aid Highway Act of 1950, referred to in the second proviso above, provides—

"That such funds shall be expended on the secondary and feeder roads, farm-to-market roads, rural mail routes, public school bus routes, local rural roads, county roads, township roads, and roads of the county-road class, with types of construction that can be maintained at reasonable cost to provide all-weather service, and the projects for construction shall be selected and the specifications with respect thereto shall be determined by the State highway department, and the appropriate local officials in cooperation with each other."

This then is the legislation which authorizes the adoption by any state of what is termed the "1954 Secondary Road Plan," or for short, simply "The Plan."

Generally speaking, what the legislation does is to authorize the Secretary of Commerce, upon the request of any state, to permit the construction of projects on the Federal-aid secondary system to be performed under a decidedly abbreviated procedure, and with greater latitude of action by the state, provided the state is willing to accept a correspondingly greater share of the responsibility normally placed on the Secretary for seeing that Federal-aid secondary funds are expended prudently and in the manner intended by Congress.

You may be puzzled at what prompted the legislation on the part of Congress. As I understand it these were the main considerations:

- (1) A desire on the part of Congress to have public roads adjust to the anticipated increases in engineering work load from increasing Federal-aid authorizations without competing with the states and counties for available engineering manpower.
- (2) A belief on the part of Congress that a transfer of additional engineering responsibility to the states for the least complex of the programs, the secondary program, would enable Public

Roads, state highway, and county engineers to cooperate in reducing the combined engineering manpower required for that program, and to make more engineers available for the more complex problems of the interstate, primary, and urban systems.

- (3) Confidence on the part of Congress that many states and their counties were properly organized, or would organize, to accept correspondingly greater responsibility for the satisfactory development of the secondary program if given the necessary latitude of action.

Some idea of the federal and state engineering workload involved in the administration of the secondary program can be gained by considering the ratio of the number of secondary projects to all other Federal-aid projects. For example in the year 1953, of a total of 5,582 projects awarded to contract for all federal funds, primary, secondary, urban, and interstate, 3,647 of them, or 65 per cent, were secondary projects. They involved, however, only 28 per cent of all Federal-aid construction. The reduction in the workload of processing this large number of projects through the state highway departments and our field and Washington offices under the new plan will perhaps be more understandable after considering the administrative steps that will be saved. These will be discussed later.

Thus far, 30 states have been given approval of their standards and procedures and are now operating under the new plan. The states are Alabama, Arkansas, California, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Nebraska, New Hampshire, New York, North Carolina, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, and Wisconsin.

How will it affect you in the counties if your state elects to adopt the Plan? That depends to a considerable extent on how you have operated in the past on county Federal-aid secondary projects. This will, I think, become clear to you if you apply to your individual county this list of changes in administrative procedure between the new plan and the regular Federal-aid plan under which you now operate. Many of the actions take place between your state highway department and the Bureau of Public Roads, perhaps without your being aware of it, but I want to discuss them briefly to illustrate how the new Plan would, if adopted, abbreviate engineering procedure and processing time for all concerned, and expedite action on both state and county projects.

ADMINISTRATIVE STEPS IN THE "1954 SECONDARY ROAD PLAN" AS COMPARED WITH THE REGULAR FEDERAL-AID PLAN

Systems

Secondary system actions, additions, deletions and major changes will be submitted under the new plan in the same manner as under the regular Federal-aid plan, by the state highway department through our district office for approval by the Washington office of Public Roads. It is not always understood in the counties that before Federal-aid funds can be used for the improvement of a project, the underlying route must be on the approved Federal-aid secondary system. Routes not presently on the system may be added, of course, if their community importance justifies it. But in any event it should be remembered that system approval is the first step and must precede the use of Federal-aid funds.

Programing

Initial programs and major program changes are to be submitted in the same manner as under the regular Federal-aid plan, by the state's highway department through our district office for approval by the Washington office of Public Roads. Programing is another action not always understood by counties, even the meaning of the term. And I can understand why. It is because the term "program" is strictly engineering parlance, born of Federal-aid for a rather simple thing—a list of projects with their descriptions, estimated costs, and other justifying information, together with a map showing the location of projects. Programs serve many important functions at the federal level. From the information contained in them, Public Roads must be able to justify the expenditure of public funds on the listed projects as being in accord with the intent of Congressional authorizations; that is, that the projects are on the approved system, that the proposed improvements will provide a useable facility that can be maintained at reasonable cost, that the expenditure of federal funds is justified, and that the project will be maintained.

The program serves also as the initial step in committing federal funds to the projects approved as well as initially committing the state or county to the construction of the projects within a reasonable length of time. It is because so many important functions are served by programs that they must be submitted to the Washington office for approval.

Route Reports

Route reports and sketch maps formerly required for secondary projects will not be required by the Washington office under the 1954 Secondary Road Plan. The reports and maps, however, may be continued in use in any state when no satisfactory method of operation can be devised to do without them. Some of you perhaps have been required to supply the sketch maps and furnish certain information going into these route reports. Usually, however, they have been prepared by the state highway department and our district engineer.

Authority to Proceed with Preliminary Engineering and Acquisition of Right-of-Way

After program approval of a project, the state may proceed at once under the 1954 Secondary Road Plan, in accordance with its procedures as approved by the commissioner, to advance the work to the construction stage without awaiting further authority. Under former procedures written authority from Public Roads to proceed was required.

Preliminary and Construction Engineering Agreements

Approval for the use of private or consulting engineers is included with the approval by the commissioner of the 1954 Secondary Road Plan, subject only to the limitations included by the State in the request for approval of its procedures. Under former procedures private engineering contracts were required to be approved individually by the division offices.

Field Check of Plans

Under the 1954 Secondary Road Plan responsibility for the field check of plans will rest with the state. Under former procedures Public Roads' engineers were required to make such field checks.

P. S. & E. Assembly

Under the 1954 Secondary Road Plan the entire responsibility for the approval of plans will rest with the state. Under former procedures our district engineer was required to examine plans, specifications, and estimates and notify the state of his approval.

Letter of Authorization

Under the 1954 Secondary Road Plan the usual letter of authorization to the state to advertise for bids on a project or acceptance of agreed unit prices will not be required. This responsibility under the 1954 Secondary Road Plan will rest entirely with the state.

Opening of Bids

Under the 1954 secondary Road Plan the Bureau of Public Roads is not required to be represented at the opening of bids as has been formerly required.

Review of Bids

Under the 1954 secondary Road Plan the Bureau of Public Roads is not required to review bids prior to award of contracts by the state as has been formerly required.

Concurrence in Award

Under the 1954 Secondary Road Plan the Bureau of Public Roads is not required to notify the state of concurrence in the award of construction contracts by the state as has been formerly required.

Required Provisions of Federal-Aid Contracts

The "Required Provisions" for Federal-aid contracts, formerly a part of the contractor's proposal, does not apply under the 1954 Secondary Road Plan.

Contract Estimate

After the contract has been let or the necessary arrangements for force account work have been made, the state highway department must file with the district engineer three copies of the contract estimate or force account estimate, based on agreed unit prices for the project. This estimate serves as the basis for the project agreements between the state highway department and the federal government, the same as formerly.

Status Report

The district engineer will report to the Washington office when the contract estimate has been received and the funds shown on the estimate will be posted to Public Roads' fiscal records to establish the obligation of federal funds for the project. There is no change here from the former procedure.

Project Agreements

A project agreement, in a slightly different form from that presently being used, is to be executed as promptly as possible after receipt of the contract estimate. Federal funds allotted to the project are protected from lapsing upon execution of the project agreements. Execution of the agreement for each project must precede any payment of federal funds on the project. This procedure remains the same as formerly.

Construction Inspections

No construction inspections are required of the Bureau of Public Roads prior to the completion of a construction project under the 1954 Secondary Road Plan. Full responsibility for inspection rests with the state highway department. Under former procedures the Bureau of Public Roads' engineers were required to make periodic inspections and progress reports.

Construction Change Orders

Construction Change Orders or plan revisions during construction need not be submitted to Public Roads for approval under the 1954 Plan as was done formerly. They must be maintained by the state, however, under the new Plan in order to substantiate modifications of project agreements, if any, and final voucher quantities.

Modifications of Project Agreements

Under the 1954 Secondary Road Plan, changes such as alterations in the termini or type of project which would require the revision of an approved program will be handled in the same manner as formerly with major changes being submitted to the Washington office of Public Roads, and with minor changes handled by the District office of Public Roads. After approval of the program changes a revised contract estimate must be submitted and the project agreement modified accordingly.

Progress Payment Vouchers

During the course of construction the state highway department may request that progress payments be made. These payments will be made on the same basis as previously except for the manner of certification by the state.

Final Inspection and Acceptance

Under the 1954 Road Plan the state highway department notifies the district engineer when a project has been completed after which the district engineer will make a limited inspection of the project. It will include a check of the general location, completion, and general characteristics of the project, and a report to the Washington office. Formerly a much more detailed inspection report was required.

Final Voucher Assembly

Following the final inspection the state highway department will submit a final voucher including a certificate that, in accordance with the laws of the state, the project has been completed to the extent described in the voucher; and that the plans, design, and construction for said project are in accord with the approved standards and pro-

cedures of the state. Under former procedure the Public Roads' District Engineer certified to completion of the work in accordance with the plans and specifications.

Maintenance Inspection

Maintenance inspections will be made by the Bureau of Public Roads on completed projects under the 1954 Secondary Road Plan in the same manner as on other Federal-aid secondary projects.

Payrolls, Affidavits and Labor Summaries

Under the 1954 Secondary Road Plan payrolls and labor summaries will no longer be required to be submitted. The anti-kickback affidavit will still be required however.

Form PR-47, Employment and Materials Report

This report need not be submitted on projects constructed under the 1954 Secondary Road Plan.

Force Account Work

The provisions of Section 17(a) of the Federal-Aid Highway Act of 1954, a section which sets forth the limitations on force account construction under the regular Federal-aid procedure, do not apply to projects under the 1954 Secondary Road Plan. However, under the Plan, the Commissioner of Public Roads may require amendments to the approved procedures of any state designed to halt or revise a marked trend toward increased force account work. In this connection it may interest you to know that only about 4 per cent of all Federal-aid secondary construction is performed by force account. The new provisions of the 1954 Act regarding force account are in effect the same procedures under which Public Roads has dealt with force account work in the regular Federal-aid secondary program since 1945. The procedures prior to 1954, however, were required by administrative order rather than by Federal legislation itself. There will be no change with regard to force account procedure in those states electing not to come under the 1954 Secondary Road Plan.

I think you will agree that the abbreviated procedure under the 1954 Secondary Road Plan should expedite your county projects through the administrative mill. In many of the administrative steps there will be only county-state contracts, where previously Public Roads approved them as a third party. Actually a county should not notice much change under the Plan except for the saving of time, for generally speaking the responsibilities relinquished by Public Roads will be assumed by the state highway department, and the total of

controls while less remote will remain nearly the same as viewed from the county level.

There is but one dark note. Unfortunately the field personnel of Public Roads, if your state highway department elects to adopt the Plan, will not enjoy as frequent opportunities of meeting you county highway officials. They would, however, continue to meet with you during the final inspection of the construction projects and when the biennial maintenance inspections are made. Our field engineers would maintain contact with the state highway engineers so that we may be kept generally informed as to the progress of the secondary program. The entire facilities of our district offices would continue to be available to you at all times to assist in the solution of complex problems connected with the secondary program. However, any specific requests for such participation outside the scope contemplated by the Plan should reach the district engineers through the state highway department.

Public Roads in no sense of the word is removing itself from the field of secondary roads, and we have a high regard for the competence of the state and county organizations to which we would be shifting some of our responsibilities. We do believe, however, that under the new Plan, Public Roads, state highway, and county engineers, or other county officials can cooperate to eliminate duplication of effort and produce a more efficient over-all operation with the engineering manpower available. We are confident of the continued high quality of the end product you would produce under the Plan, good soundly-engineered local highways.

So much for the new plan for the administration of the Federal-aid secondary program. In the not too distant future we trust that Indiana will see fit to join the other states who have elected to adopt it.

COUNTIES UTILIZING FEDERAL AID

Now as to how counties in some of the other states are claiming and using their allotments of federal aid. I think the story is pretty well summed up in a report from the State of Washington, written by G. A. Riedesel and R. S. Turner of Washington State College. The title of the report is "A Supplement to the County Gas Tax Allocation Study Report to Help the Counties Make Better Use of their Road Funds." The information in the report came from the counties and the report is intended for county use. With respect to using county Federal-aid money, the report says this:

"Some counties do not claim and use their allotment of Federal-Aid Funds. The reasons given are varied—too much red tape; too much engineering; too high a standard of road required; too little

money available at one time; the contract method of construction required and other requirements imposed by the administration of the Federal-aid funds increase construction costs to where there is not net financial gain to the county. Other reasons that are not given, but often are the actual reason behind the lack of use of funds are misinformation, indifference, and low standards and requirements in the county operations.

"An appraisal of the use of federal aid throughout the state clearly indicates the following:

1. Most counties use their Federal-aid money to good advantage.
2. No county can afford not to use it.
3. The requirements for its use are not high, difficult or unreasonable.
4. The Federal-aid engineers of the state highway department offer every assistance to the counties for the beneficial use of Federal-aid funds.
5. The counties get the most good from Federal aid by careful selection of projects on which to use the money. Some counties can use it best on bridge construction work since no additional engineering is required. Some counties who are not equipped to do their own oiling use Federal aid on oil jobs to best advantage. Other counties use short projects with heavy grading. Each county will have peculiar conditions that determine how best to use the Federal-aid funds.
6. In addition to the actual value of money received, some counties have benefited by having the general standard of their work on all projects improved.

"If your county is not using its Federal-aid money, by all means get a project ready for it."

That a great many counties have gotten "on the ball" in using their Federal-aid is plainly evident from an analysis of county activity in nearby states. In selecting the states for the analysis some sparsely settled ones were included purposely to show that a great many poor counties as well as the wealthy ones are finding Federal-aid worthwhile.

The analysis covers 10 states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, North Dakota, Ohio, South Dakota, and Wisconsin. Time does not permit going into the detail of each state, but I believe a summary should be of interest to you.

Excluding Indiana the other nine states have a total of 757 counties. During the years 1952, 1953, and 1954, 674 out of the 757 counties, or 89 per cent of them have had plans approved for at least one Federal-aid secondary project. In Indiana during the same period, 28 per cent of the counties had one or more projects approved.

The nine state total of county projects on which plans were approved for the same period is 3,733, or an average of about five per county for every county in those states. For Indiana the average is about one-fourth of a project per county.

The counties in the nine states had plans approved for 14,308 miles of improvements and 765 bridges during the period. That is an average of 19 miles of improvements and about one bridge for every county. For the same period in Indiana your counties had plans approved for 40 miles of improvements and 35 bridges, less than half a mile of improvement and less than half a bridge per county.

The counties in the nine states during the three-year period claimed about \$76 million of their Federal-aid allotments or an average of about \$100,000 per county. Indiana counties claimed about \$1.1 million for an average of about \$12,000 per county.

I think you will agree after considering the foregoing data that the Federal-aid secondary program must be benefiting those counties or they would not be so active in it. I think you will also want to consider again, and carefully, that previously quoted advice to Washington counties—"If your county is not using its Federal-aid money, by all means get your engineer on the ball and get a project ready for it."

SECONDARY PROJECTS—CONSTRUCTION ONLY
Plans approved during calendar years 1952, 1953 and 1954

State	Total counties in State	Projects on county or local roads in 3-year period					
		No. of projects	Number of counties having county projects	Total cost	Federal funds	Miles	No. of bridges
Illinois	102	294	94	\$ 23,706,029	\$11,634,632	849.9	85
Indiana	92	53	26	2,635,889	1,091,457	40.1	35
Iowa	99	655	98	24,762,671	12,304,500	2,096.0	165
Kansas	105	658	105	20,715,683	10,240,006	2,965.9	258
Michigan	83	404	79	17,799,161	9,156,872	1,037.5	40
Minnesota	87	857	84	22,714,653	11,276,045	3,383.1	35
North Dakota	53	277	48	8,441,819	4,229,037	2,069.7	20
Ohio	88	113	48	8,711,434	4,339,069	179.3	29
South Dakota	69	153	52	7,724,869	4,461,829	869.4	53
Wisconsin	71	322	63	17,309,623	8,294,582	857.3	80
Total	849	3,786	697	\$154,521,831	\$77,028,029	14,348.2	800

SECONDARY PROJECTS—CONSTRUCTION ONLY
Plans approved during calendar years 1952, 1953 and 1954

State	No. of projects	Projects on State system in 3-year period				
		Number of counties having State projects	Total cost	Federal funds	Miles	No. of bridges
Illinois	61	51	\$7,215,648	\$3,545,073	230.1	20
Indiana	109	58	22,247,980	11,036,779	361.6	44
Iowa						
Kansas	76	38	7,597,356	3,792,206	342.0	88
Michigan	63	36	10,776,236	5,215,776	179.7	19
Minnesota	19	16	1,163,117	678,748	37.1	4
North Dakota	66	35	6,983,452	3,433,521	680.0	9
Ohio	100	60	16,697,631	8,215,127	98.2	86
South Dakota	25	17	4,369,569	2,487,238	203.8	20
Wisconsin	60	34	7,781,692	3,780,998	195.4	21
Total						
	579	345	\$84,832,681	\$42,185,466	2,327.9	311
Grand Total	4,365		\$239,354,512	\$119,213,495	16,676.1	1,111